

## **STATEMENT**

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President, Greater Jamaica Development Corporation (GJDC)**

**to**

**House Committee on Government Reform  
Subcommittee on Federalism and the Census**

**Field Hearing on the Community Development Block Grant Program (CDBG)**

**July 25, 2005  
Bronx Community College  
New York City**

I am Carlisle Towery, President of a private not-for-profit organization founded in 1967 by business civic and community leaders dedicated to the growth and revitalization of Jamaica, Queens, and to the rebuilding of its downtown. This older downtown serves some 600,000 people in 22 communities. Our founders were challenged by Mayor John Lindsay to join government in addressing the changes facing Jamaica and in responding to the recommendations of Regional Plan Association that Jamaica had the potential to become a modern metropolitan center of commerce and industrial employment, higher education, shopping, government services, improved housing and transportation, and the arts. -- enlarging people's choices and public access to resources.

We are one of the four "grandfather" local development organizations in the City. I have been at this position for over 30 years, practicing in partnership with business, government and the community. I reference two of my convictions from this experience: 1. the viability of a downtown and the health of its community environs are inter-dependent, and 2. urban development requires a public-private partnership and energetic intermediary "brokering", engaging and managing the participations of the two sectors.

Thank you for this opportunity to offer comments in the context of those three decades of pioneering, perseverance and active, productive partnership with the City, principally through CDBG-funded contracts with the Department of Small Business Services and the Economic Development Corporation. The staffs we work with in these two dedicated agencies are especially able, innovative and effective. And the flexibility of CD funds has been essential in their undertakings with us.

In a ten-year period early in our efforts, Jamaica took some huge hits, losing all three of its department stores, two headquarter banks, a regional newspaper, its largest industry and dozens of smaller enterprises linked to those anchors. Economic distress, abandonment, disinvestment, social doldrums, and loss of public confidence all characterized Jamaica between

1975-1985. These were the effects from outlying regional malls, beginning in the 1960's. By 1972, they encircled downtown Jamaica, siphoning off consumers from its once expansive trading area and, concurrent with rapid demographic change, leaving Jamaica with a smaller shopping shed -- about one-third of its pre-mall size -- of poorer, fewer, less mobile residents.

Jamaica has come back since 1985, due largely to a thoughtful, ambitious overall plan, backed by consensus and executed with strategic actions and projects directly enabled by CDBG funds, which were leveraged several times over in particular projects and which provided us a base of operating support. Another federal program -- the Community Reinvestment Act (CRA) -- has played, with CDBG, a fundamental role in Jamaica's recovery and growth. Region-serving public investments from government at all levels were made in Jamaica pursuant to its redevelopment plan, and major private investments have followed.

Our mission is economic development, with the bottom line of jobs -- enabling job growth, assisting in retaining and attracting jobs, creating a setting hospitable to jobs. Under that over-arching goal, we undertake a range of activities: • planning, feasibility and pre-development work to facilitate major projects; • development and operation of small strategic projects; • provision of financial services and technical assistance for local small business; • marketing and promotion; and • image-building for a community where conditions -- the reality -- are far more favorable than the general public perceives. I have taken the liberty to append Greater Jamaica's "corporate resume", which elaborates on our efforts and indicates the level of CDBG support for our involvement in each effort.

You will note that CD funds have been used in various ways by us and by the City to accomplish a wide range of projects supportive of our mission; they have leveraged substantial public and private dollars. And CD funds for our operations -- provided consistently over the years -- have built our capacity to attract private participations and support for our work, and have enabled us to generate earned income which is now our predominant source of funds. Our base operating budget in 1980 was \$1.7 million of which 20% was from CDBG. This past year, CD's share of the \$8.7 million we spent was 4%.

I will describe several key projects in which Greater Jamaica was instrumental -- our role varying from direct sponsorship or ownership to support activities -- and which CDBG funds assisted at one level or another, through DSBS and EDC.

- **Mid-Block.** Planning and sponsorship for improvements in a centrally located but marginally used four-block area. Capital costs of \$65 million, incrementally accomplished since 1986 under a lease agreement with EDC.

We facilitated owner occupancy of vacant buildings for two non-profits and tenancy for four others in vacant buildings we acquired and rehabilitated, securing landmark designations for two; restoration and re-use of a vacant 15,000 square foot former firehouse; renovation of a 60,000 square foot office building; new construction of Jamaica Market, of 180 new market-rate apartments and a 400 car parking garage; and reconstruction of a street section. Assuming 10%

of the CD funds we received since 1986 were devoted to this project, CD's participation was \$530,000.

- **USA Food and Drug Administration.** Planning, site and developer selection, lease procurement through GSA for development of a new \$85 million regional headquarters and state-of-the-art laboratory. Completed in 2001, this project cost the Corporation \$800,000 over several years, of which about \$125,000 was CD funds.
- **Intermodal Infrastructure Improvements.** Community visioning, planning and implementation, including securing federal and state funds of \$21 million toward the \$50 million project; GJDC engaged engineering and design consultants and supported by CD funds, acts as client in coordinating inter-agency actions.
- **Clearance and Improvement for interim use of urban renewal land** for flat parking and for an open-air, tail-gate farmers market; CD funds of approximately \$200,000. These two experimental, high-visibility projects were "keep-the-faith" initiatives undertaken in the mid-seventies, at a time of great local uncertainty. They led to the now-permanent, enclosed Jamaica Market -- an \$8 million food-court/office/conference facility/outdoor seasonal market -- and to Jamaica First Parking, our new non-profit parking operation that acquired and upgraded the City's four deteriorated municipal facilities, and that just completed construction of a fifth -- development costs of \$11 million for which CD funds paid the architectural design fee of \$220,000. (JP Morgan Chase provided the credit enhancement for the IDA bonds). CD funds underwrote demand and feasibility analyses -- about \$75,000 -- for both the Market and the Parking projects.
- **Services to Small Businesses.** CDBG funds (\$375,000) capitalized the start-up in 1980 -- a time of red-lining in Southeast Queens -- and later recapitalized our revolving loan of U.S. EDA and private funds. All told, we have loaned \$5.6 million in small deals (our average participation, usually in second position, is \$84,000) leveraging \$24.4 million from private sources; this created 540 jobs and retained 780. I'm happy to report scarce business for our Fund in recent years, which I attribute to the exceptionally good work of several commercial banks cooperating with -- often exceeding -- Community Reinvestment Act objectives.
- **Special Assessment Districts.** CD funds enabled GJDC to assist promotionally, technically and with start-up management in conceptualizing and organizing four self-help entities along three key commercial Streets and one industrial street. Each district took us about three years to launch and hand off. We spent perhaps \$250,000 of CD funds for this purpose. These "Business Improvement Districts" (BIDs), administered by DSBS (there are 51 in the City), use self-initiated real estate tax increments to supplement municipal services, to market and promote their businesses, and to act collectively on common aims. Our first district was modeled after Nicollet Mall in downtown Minneapolis, formed to help counter the huge competitive advantage of regional malls with their mall charges. The annual budgets of the four now total \$1,140,000.

- **Brownfields Opportunity Area Program.** Our application to the State of New York for financial assistance to analyze older, toxic sites in the downtown was successful. We received a \$420,000 grant for the second phase in a three-phase planning program that will result in a Final Nomination report to the State. The Nomination designates priority sites for redevelopment and recommends likely development projects for the sites. Our staff, partially supported by CD funds of approximately \$30,000, did preliminary work and prepared the application.

Conclusion. In conclusion, in Jamaica, like other older towns and cities, the critical need is often to focus on retention and expansion of existing business activity, and on business attraction by undertaking planning and predevelopment work before development projects (and consequent new jobs and investment) can be realized.

Whether by re-using underutilized properties, clearing and assembling land, performing financial feasibility and marketing analyses, strengthening and empowering local small businesses through special loans and special service districts, or by improving parking and public infrastructure, CDBG funds have often been the essential element that allowed GJDC to do the work necessary to generate jobs and economic benefits here, and to revitalize wasted assets, ultimately resulting in area-wide economic recovery. The remarkable multiplier effects of CDBG funds, skillfully administered by the City, have brought attention and credibility to the private sector, and substantial resources, services and amenities to an underserved area that would otherwise have been written off.